

UNIFIED SCHOOL DISTRICT NO. 489
Hays, Kansas

Primary Government Financial Statements
with Independent Auditors' Report

For the Year Ended June 30, 2007

UNIFIED SCHOOL DISTRICT NO. 489
Primary Government Financial Statements
with Independent Auditors' Report
For the Year Ended June 30, 2007

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INDEPENDENT AUDITORS' REPORT

To the Board of Education
Unified School District No. 489
Hays, Kansas 67601

We have audited the accompanying financial statements of **Unified School District No. 489, Hays, Kansas** as of and for the year ended June 30, 2007, which collectively comprise the financial statements of the District's primary government, as listed in the table of contents. These financial statements are the responsibility of **Unified School District No. 489, Hays, Kansas'** management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Kansas Municipal Audit Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The financial statements do not include financial data for the District's legally separate component unit. Accounting principles generally accepted in the United States of America require the financial data for this component unit to be reported with the financial data of the District's primary government unless the District also issues financial statements for the financial reporting entity that include the financial data for its component unit. The District has not issued such reporting entity financial statements. Because of this departure from accounting principles generally accepted in the United States of America, the cash and unencumbered cash balances of the aggregate remaining fund information would have increased by \$83,286.

As described more fully in Note 1, **Unified School District No. 489, Hays, Kansas** has prepared these financial statements using accounting practices prescribed or permitted by the State of Kansas which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matters discussed in the two preceding paragraphs, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of **Unified School District No. 489, Hays, Kansas**, as of June 30, 2007, or changes in financial position for the year then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of each fund of **Unified School District No. 489, Hays, Kansas**, as of June 30, 2007, and their respective cash receipts and disbursements and budgetary results for the year then ended, on the basis of accounting described in Note 1.

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In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2007 on our consideration of **Unified School District No. 489, Hays, Kansas'** internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the **Unified School District No. 489, Hays, Kansas'** financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements of **Unified School District No. 489, Hays, Kansas**. The schedule of expenditures of federal awards has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole on the basis of accounting described in Note 1.

Adams, Brown, Beran & Ball

ADAMS, BROWN, BERAN & BALL, CHTD.
Certified Public Accountants

December 10, 2007

UNIFIED SCHOOL DISTRICT NO. 489

Hays, Kansas

Summary of Cash Receipts, Expenditures, and Unencumbered Cash
For the Year Ended June 30, 2007

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Funds							
General Fund	\$ (70,290)	29	17,311,243	17,279,075	(38,093)	21,492	(16,801)
Supplemental General	43,425	-	5,301,532	5,165,605	179,352	-	179,352
Special Revenue Funds							
Adult Education	-	-	326	-	326	-	326
At Risk (4 Year Old)	-	-	163,339	163,339	-	-	-
At Risk (K-12)	-	-	1,069,705	1,069,705	-	173	173
Bilingual Education	-	-	59,871	59,871	-	-	-
Capital Outlay	140,680	-	2,515,097	2,217,265	438,512	56,944	495,456
Driver Training	1	-	64,708	64,709	-	565	565
Declining Enrollment	-	-	504,676	504,676	-	-	-
Extraordinary School Program	119,458	-	126,618	149,811	96,265	135	96,400
Food Service	215,699	-	1,340,509	1,322,019	234,189	-	234,189
Professional Development	2	-	24,920	24,919	3	649	652
Parent Education	-	-	369,587	369,587	-	2,465	2,465
Summer School	2,152	-	5,020	7,168	4	-	4
Special Education	189	-	3,654,766	3,654,955	-	-	-
Vocational Education	-	-	788,829	788,829	-	67	67
KPERS Special Retirement Contribution	-	-	1,357,734	1,357,734	-	-	-
Coop Special Education	468,895	-	6,268,560	6,593,600	143,855	2,193	146,048
Recreation Commission	-	-	726,527	726,527	-	-	-
Recreation Commission Employee Benefits	-	-	110,350	110,350	-	-	-
O'Loughlin Pre-School	6,786	-	39,156	45,480	462	-	462
Head Start	(20,207)	-	866,005	845,798	-	222	222
Early Head Start	(65,893)	-	697,301	682,311	(50,903)	10,106	(40,797)
Title I	-	-	406,759	406,759	-	1,675	1,675
Title I Carryover	-	-	14,000	14,000	-	-	-
Title I Migrant	-	-	47,410	47,410	-	7,049	7,049
Title IV Safe and Drug Free Schools	-	-	12,374	12,374	-	1,495	1,495
Title V Innovative Programs	-	-	4,878	4,878	-	7	7
Title II A Teacher Quality	-	-	145,816	145,816	-	877	877
Title II D Education Technology	-	-	4,081	4,081	-	-	-
Miscellaneous Mini Grants	24,332	-	11,790	21,369	14,753	-	14,753
EETT Technology Grant	5,763	-	40,000	45,763	-	3,212	3,212
Smart Start 2006 Grant	(98,208)	-	327,192	228,984	-	-	-
Smart Start 2007 Grant	-	-	143,465	249,724	(106,259)	159	(106,100)
District Activity Funds	249,675	-	759,484	722,721	286,438	5,507	291,945
Balance Carried Forward	\$ 1,022,459	29	45,283,628	45,107,212	1,198,904	114,992	1,313,896

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 489

Hays, Kansas

Summary of Cash Receipts, Expenditures, and Unencumbered Cash
For the Year Ended June 30, 2007

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Balance Brought Forward	\$ 1,022,459	29	45,283,628	45,107,212	1,198,904	114,992	1,313,896
Capital Project Fund							
Capital Project - Bus Barn	-	-	452,270	731,145	(278,875)	351,378	72,503
Debt Service Funds							
Bond and Interest	646,188	-	802,534	757,987	690,735	-	690,735
No Fund Warrant	49,133	-	113,603	112,621	50,115	-	50,115
Total Primary Government (Excluding Agency Funds)	\$ 1,717,780	29	46,652,035	46,708,965	1,660,879	466,370	2,127,249
				Composition of Cash:			
				Checking Accounts	\$ 359,679		
				Savings Accounts	1,827,704		
				Total Cash	2,187,383		
				Agency Funds Per Statement 4	(60,134)		
				Total Primary Government			
				(Excluding Agency Funds)	\$ 2,127,249		

UNIFIED SCHOOL DISTRICT NO. 489
Hays, Kansas

Summary of Expenditures - Actual and Budget
For the Year Ended June 30, 2007

Funds	Certified Budget	Adjustment to Comply with Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Favorable (Unfavorable)
Governmental Funds						
General Fund	\$ 17,325,719	(112,095)	65,451	17,279,075	17,279,075	-
Supplemental General	5,197,716	(32,111)	-	5,165,605	5,165,605	-
Special Revenue Funds						
Adult Education	1,000	-	-	1,000	-	1,000
At Risk (4 Year Old)	164,353	-	-	164,353	163,339	1,014
At Risk (K-12)	1,069,705	-	-	1,069,705	1,069,705	-
Bilingual Education	59,871	-	-	59,871	59,871	-
Capital Outlay	2,387,829	-	-	2,387,829	2,217,265	170,564
Driver Training	65,987	-	-	65,987	64,709	1,278
Declining Enrollment	499,636	-	-	499,636	504,676	(5,040)
Extraordinary School Program	346,244	-	-	346,244	149,811	196,433
Food Service	1,707,985	-	-	1,707,985	1,322,019	385,966
Professional Development	25,000	-	-	25,000	24,919	81
Parent Education	386,087	-	-	386,087	369,587	16,500
Summer School	9,951	-	-	9,951	7,168	2,783
Special Education	3,927,718	-	-	3,927,718	3,654,955	272,763
Vocational Education	788,867	-	-	788,867	788,829	38
KPERS Special Retirement Contribution	1,357,735	-	-	1,357,735	1,357,734	1
Coop Special Education	6,963,677	-	-	6,963,677	6,593,600	370,077
Recreation Commission	757,805	-	-	757,805	726,527	31,278
Recreation Commission Employee Benefits	127,399	-	-	127,399	110,350	17,049
Debt Service Funds						
Bond and Interest	758,013	-	-	758,013	757,987	26
No Fund Warrant	112,622	-	-	112,622	112,621	1

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 489

Hays, Kansas

General Fund

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended June 30, 2007

(With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenues	\$ 3,667,536	3,963,639	3,914,915	48,724
Intergovernmental Revenue				
Equalization Aid	11,600,658	10,899,501	11,017,283	(117,782)
Mineral Production Tax	26,764	34,075	26,764	7,311
State Aid	6,000	7,027	-	7,027
Special Education State Aid	2,113,819	2,348,577	2,366,714	(18,137)
Federal Aid	-	20,000	-	20,000
Other Sources				
Reimbursements	341,773	38,424	-	38,424
Total Cash Receipts	<u>17,756,550</u>	<u>17,311,243</u>	<u>17,325,676</u>	<u>(14,433)</u>
Expenditures				
Instruction				
Salaries and Benefits	5,285,335	4,678,554	4,598,829	(79,725)
Purchased Services	64,673	78,703	73,258	(5,445)
Supplies	198,736	289,309	216,317	(72,992)
Textbooks and Software	34,186	52,904	33,590	(19,314)
Other Expenditures	17,572	17,963	18,240	277
Total Instruction	<u>5,600,502</u>	<u>5,117,433</u>	<u>4,940,234</u>	<u>(177,199)</u>
Student Support Services				
Salaries and Benefits	627,588	652,334	630,626	(21,708)
Purchased Services	12,846	11,391	12,498	1,107
Supplies	24,524	2,684	3,220	536
Total Student Support Services	<u>664,958</u>	<u>666,409</u>	<u>646,344</u>	<u>(20,065)</u>
Expenditures Carried Forward	\$ <u>6,265,460</u>	<u>5,783,842</u>	<u>5,586,578</u>	<u>(197,264)</u>

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 489

Hays, Kansas

General Fund

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended June 30, 2007

(With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Expenditures Brought Forward	\$ 6,265,460	5,783,842	5,586,578	(197,264)
Instructional Support Services				
Salaries and Benefits	465,275	500,032	479,351	(20,681)
Purchased Services	17,601	16,883	16,852	(31)
Supplies	42,438	42,184	44,650	2,466
Total Instruct. Support Services	525,314	559,099	540,853	(18,246)
General Administration				
Salaries and Benefits	581,135	614,784	572,067	(42,717)
Purchased Services	92,657	95,683	84,349	(11,334)
Supplies	23,839	13,861	23,250	9,389
Other Expenditures	11,915	14,142	14,142	-
Total General Administration	709,546	738,470	693,808	(44,662)
School Administration				
Salaries and Benefits	1,770,094	1,745,141	1,699,373	(45,768)
Purchased Services	46,719	52,787	51,178	(1,609)
Supplies	12,509	12,196	11,050	(1,146)
Total School Administration	1,829,322	1,810,124	1,761,601	(48,523)
Operations & Maintenance				
Salaries and Benefits	813,542	877,829	819,807	(58,022)
Purchased Services	277,301	260,144	278,142	17,998
Supplies	126,138	137,401	114,726	(22,675)
Utilities	635,572	614,655	552,575	(62,080)
Total Operations & Maintenance	1,852,553	1,890,029	1,765,250	(124,779)
Expenditures Carried Forward	\$ 11,182,195	10,781,564	10,348,090	(433,474)

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 489

Hays, Kansas

General Fund

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended June 30, 2007

(With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Expenditures Brought Forward	\$ 11,182,195	10,781,564	10,348,090	(433,474)
Student Transportation Services				
Salaries and Benefits	522,017	533,289	540,357	7,068
Purchased Services	87,432	91,786	103,361	11,575
Supplies	40,304	47,034	42,400	(4,634)
Motor Fuel	91,832	104,842	116,554	11,712
Equipment	510	75	1,620	1,545
Other Expenditures	3,516	3,683	5,900	2,217
Total Student Trans. Services	745,611	780,709	810,192	29,483
Other Supplemental Services				
Salaries and Benefits	99,704	103,589	103,641	52
Purchased Services	3,481	4,834	4,000	(834)
Supplies	-	-	-	-
Other Expenditures	2,905	1,283	1,500	217
Total Other Supp. Services	106,090	109,706	109,141	(565)
Operating Transfers				
Bilingual Education	145,188	59,871	59,871	-
Driver Training	15,355	23,175	24,066	891
Professional Development	20,590	21,720	22,812	1,092
Parent Education Program	29,949	42,738	42,738	-
Summer School	-	3,620	5,500	1,880
Special Education	3,559,373	3,479,766	3,927,529	447,763
Vocational Education	512,246	758,722	758,722	-
At Risk (4 Year Old)	154,330	163,339	164,353	1,014
At Risk (K-12)	554,920	1,054,145	1,052,705	(1,440)
Total Operating Transfers	4,991,951	5,607,096	6,058,296	451,200
Adjustment to Comply with Legal Max	-	-	(112,095)	(112,095)
Legal General Fund Budget Carried Forward	\$ 17,025,847	17,279,075	17,213,624	(65,451)

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 489

Hays, Kansas

General Fund

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended June 30, 2007

(With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Legal General Fund Budget Carried Forward	\$ 17,025,847	17,279,075	17,213,624	(65,451)
Adjustment for Qualifying Budget Credit (a)	-	-	65,451	65,451
Total Expenditures	17,025,847	17,279,075	17,279,075	-
Receipts Over (Under) Expenditures	730,703	32,168		
Unencumbered Cash, July 1	(801,037)	(70,290)		
Prior Year Cancelled Encumbrances	44	29		
Unencumbered Cash, June 30	\$ (70,290)	(38,093)		

(a) Adjustment for Qualifying Budget Credit

State Aid Over Amount Budgeted	\$ 7,027
Federal Aid Over Amount Budgeted	20,000
Reimbursements Over Amount Budgeted	38,424
	<u>\$ 65,451</u>

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 489

Hays, Kansas

Supplemental General Fund

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended June 30, 2007

(With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenues	\$ 3,629,619	4,575,330	4,367,320	208,010
Intergovernmental Revenue				
Equalization Aid	703,411	726,202	708,968	17,234
Total Cash Receipts	<u>4,333,030</u>	<u>5,301,532</u>	<u>5,076,288</u>	<u>225,244</u>
Expenditures				
Instruction	4,480,364	5,148,388	5,197,716	49,328
General Administration	17,314	17,217	-	(17,217)
Adjustment to Comply with Legal Max	-	-	(32,111)	(32,111)
Total Expenditures	<u>4,497,678</u>	<u>5,165,605</u>	<u>5,165,605</u>	<u>-</u>
Receipts Over (Under) Expenditures	(164,648)	135,927		
Unencumbered Cash, July 1	<u>208,073</u>	<u>43,425</u>		
Unencumbered Cash, June 30	<u>\$ 43,425</u>	<u>179,352</u>		

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 489

Hays, Kansas

Adult Education Fund

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended June 30, 2007

(With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Tuition Fees	\$ 50	326	1,000	(674)
Expenditures				
Instruction	673	-	1,000	1,000
Receipts Over (Under) Expenditures	(623)	326		
Unencumbered Cash, July 1	623	-		
Unencumbered Cash, June 30	\$ -	326		

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 489

Hays, Kansas

At Risk (4 Year Old) Fund

Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2007

(With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Other Sources				
Operating Transfers	\$ 154,330	163,339	164,353	(1,014)
Expenditures				
Instruction	154,330	163,339	164,353	1,014
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, July 1	-	-		
Unencumbered Cash, June 30	\$ -	-		

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 489

Hays, Kansas

At Risk (K-12) Fund

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended June 30, 2007

(With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Other Sources				
Tuition Fees	\$ 9,175	15,560	17,000	(1,440)
Operating Transfers	554,920	1,054,145	1,052,705	1,440
Total Cash Receipts	564,095	1,069,705	1,069,705	-
Expenditures				
Instruction	350,820	766,750	766,012	(738)
Student Support Services	212,650	225,763	224,206	(1,557)
Operations & Maintenance	625	-	650	650
School Administration	-	77,192	78,837	1,645
Total Expenditures	564,095	1,069,705	1,069,705	-
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, July 1	-	-		
Unencumbered Cash, June 30	\$ -	-		

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 489

Hays, Kansas

Bilingual Education Fund

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended June 30, 2007

(With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Other Sources				
Operating Transfers	\$ 145,188	59,871	59,871	-
Expenditures				
Instruction	145,188	59,871	59,871	-
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, July 1	-	-		
Unencumbered Cash, June 30	\$ -	-		

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 489

Hays, Kansas

Capital Outlay Fund

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended June 30, 2007

(With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenues	\$ 1,824,695	1,956,636	1,903,565	53,071
Intergovernmental Revenue				
Federal Aid	15,361	41,946	-	41,946
State Aid	145,245	70,478	70,324	154
Other Sources				
Interest on Idle Funds	152,955	29,748	200,000	(170,252)
Sale of Assets	10,526	386,869	-	386,869
Miscellaneous Income	30,136	29,420	60,000	(30,580)
Total Cash Receipts	<u>2,178,918</u>	<u>2,515,097</u>	<u>2,233,889</u>	<u>281,208</u>
Expenditures				
Instruction	1,062,703	1,041,528	1,190,800	149,272
Central Services	34,608	34,608	35,000	392
Operations & Maintenance	139,701	133,434	120,400	(13,034)
Transportation	49,260	-	75,000	75,000
Other Support Services	123,186	125,031	98,000	(27,031)
Facility Acquisition and Construction	777,739	882,664	868,629	(14,035)
Total Expenditures	<u>2,187,197</u>	<u>2,217,265</u>	<u>2,387,829</u>	<u>170,564</u>
Receipts Over (Under) Expenditures	(8,279)	297,832		
Unencumbered Cash, July 1	148,909	140,680		
Prior Year Cancelled Encumbrances	<u>50</u>	<u>-</u>		
Unencumbered Cash, June 30	\$ <u>140,680</u>	<u>438,512</u>		

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 489

Hays, Kansas

Driver Training Fund

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended June 30, 2007

(With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Intergovernmental Revenue				
State Aid	\$ 13,741	12,314	11,921	393
Other Sources				
Fees	29,108	29,219	30,000	(781)
Operating Transfers	15,355	23,175	24,066	(891)
Total Cash Receipts	58,204	64,708	65,987	(1,279)
Expenditures				
Instruction	58,203	64,709	65,987	1,278
Receipts Over (Under) Expenditures	1	(1)		
Unencumbered Cash, July 1	-	1		
Unencumbered Cash, June 30	\$ 1	-		

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 489

Hays, Kansas

Declining Enrollment Fund

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended June 30, 2007

(With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenues	\$ 456,734	492,300	487,260	5,040
Intergovernmental Revenue				
State Aid	39,547	12,376	12,376	-
Total Cash Receipts	496,281	504,676	499,636	5,040
Expenditures				
State Payment	496,281	504,676	499,636	(5,040)
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, July 1	-	-		
Unencumbered Cash, June 30	\$ -	-		

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 489
Hays, Kansas
Extraordinary School Program Fund
 Statement of Cash Receipts and Expenditures - Actual and Budget
 For the Year Ended June 30, 2007
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Other Sources				
Tuition Fees	\$ 118,876	126,618	220,000	(93,382)
Expenditures				
Instruction	2,552	2,972	55,430	52,458
Student Support Services	97,203	146,839	290,814	143,975
Total Expenditures	99,755	149,811	346,244	196,433
Receipts Over (Under) Expenditures	19,121	(23,193)		
Unencumbered Cash, July 1	100,337	119,458		
Unencumbered Cash, June 30	\$ 119,458	96,265		

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 489

Hays, Kansas

Food Service Fund

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended June 30, 2007

(With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Food Service Receipts	\$ 690,984	706,195	940,106	(233,911)
Intergovernmental Revenue				
State Aid	20,984	17,237	17,780	(543)
Federal Aid	572,659	558,281	514,398	43,883
Other Sources				
Interest on Idle Funds	16,825	20,333	20,000	333
Miscellaneous Income	41,133	38,463	-	38,463
Total Cash Receipts	<u>1,342,585</u>	<u>1,340,509</u>	<u>1,492,284</u>	<u>(151,775)</u>
Expenditures				
Operations & Maintenance	50,558	48,512	40,211	(8,301)
Food Service Operation	1,253,224	1,273,507	1,667,774	394,267
Total Expenditures	<u>1,303,782</u>	<u>1,322,019</u>	<u>1,707,985</u>	<u>385,966</u>
Receipts Over (Under) Expenditures	38,803	18,490		
Unencumbered Cash, July 1	<u>176,896</u>	<u>215,699</u>		
Unencumbered Cash, June 30	\$ <u>215,699</u>	<u>234,189</u>		

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 489

Hays, Kansas

Professional Development Fund

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended June 30, 2007

(With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Intergovernmental Revenue				
State Aid	\$ 2,063	3,200	2,188	1,012
Other Sources				
Operating Transfers	20,590	21,720	22,812	(1,092)
Total Cash Receipts	22,653	24,920	25,000	(80)
Expenditures				
Instructional Support Services	22,651	24,919	25,000	81
Receipts Over (Under) Expenditures	2	1		
Unencumbered Cash, July 1	-	2		
Unencumbered Cash, June 30	\$ 2	3		

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 489

Hays, Kansas

Parent Education Program Fund

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended June 30, 2007

(With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Intergovernmental Revenue				
State Aid	\$ 223,992	223,992	223,992	-
Other Sources				
Out of District Local Match	8,000	8,000	8,000	-
Reimbursements	94,857	94,857	94,857	-
Operating Transfers	29,949	42,738	42,738	-
Total Cash Receipts	<u>356,798</u>	<u>369,587</u>	<u>369,587</u>	<u>-</u>
Expenditures				
Student Support Services	352,962	365,571	381,206	15,635
Instructional Support Services	3,836	4,016	4,881	865
Total Expenditures	<u>356,798</u>	<u>369,587</u>	<u>386,087</u>	<u>16,500</u>
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, July 1	-	-		
Unencumbered Cash, June 30	\$ -	-		

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 489

Hays, Kansas

Summer School Fund

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended June 30, 2007

(With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Other Sources				
Tuition Fees	\$ 8,845	1,400	2,300	(900)
Operating Transfers	-	3,620	5,500	(1,880)
Total Cash Receipts	8,845	5,020	7,800	(2,780)
Expenditures				
Instruction	1,525	1,691	4,456	2,765
School Administration	5,169	5,477	5,495	18
Total Expenditures	6,694	7,168	9,951	2,783
Receipts Over (Under) Expenditures	2,151	(2,148)		
Unencumbered Cash, July 1	1	2,152		
Unencumbered Cash, June 30	\$ 2,152	4		

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 489

Hays, Kansas

Special Education Fund

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended June 30, 2007

(With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Other Sources				
Interest on Idle Funds	\$ -	175,000	-	175,000
Operating Transfers	3,559,373	3,479,766	3,927,529	(447,763)
Total Cash Receipts	<u>3,559,373</u>	<u>3,654,766</u>	<u>3,927,529</u>	<u>(272,763)</u>
Expenditures				
Instruction	2,461	1,734	2,153	419
Special Area Administration Services	-	90	4,800	4,710
Student Transportation Services	157,067	169,364	165,777	(3,587)
Operating Transfers	3,400,613	3,483,767	3,754,988	271,221
Total Expenditures	<u>3,560,141</u>	<u>3,654,955</u>	<u>3,927,718</u>	<u>272,763</u>
Receipts Over (Under) Expenditures	(768)	(189)		
Unencumbered Cash, July 1	<u>957</u>	<u>189</u>		
Unencumbered Cash, June 30	<u>\$ 189</u>	<u>-</u>		

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 489

Hays, Kansas

Vocational Education Fund

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended June 30, 2007

(With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Intergovernmental Revenue				
Federal Aid	\$ 28,830	30,107	30,145	(38)
Other Sources				
Operating Transfers	512,246	758,722	758,722	-
Total Cash Receipts	541,076	788,829	788,867	(38)
Expenditures				
Instruction	541,076	788,829	788,867	38
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, July 1	-	-		
Unencumbered Cash, June 30	\$ -	-		

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 489

Hays, Kansas

KPERS Special Retirement Contribution Fund

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended June 30, 2007

(With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Intergovernmental Revenue				
KPERS Contributions	\$ 1,151,874	1,357,734	1,357,735	(1)
Expenditures				
Instruction	771,756	909,682	909,683	1
Student Support Services	46,075	54,309	54,309	-
Instructional Support Services	57,594	67,887	67,887	-
General Administration	23,037	27,154	27,155	1
School Administration	57,594	67,887	67,887	-
Other Supplemental Services	34,556	40,732	40,732	-
Operations & Maintenance	57,594	67,887	67,887	-
Student Transportation Services	46,075	54,309	54,309	-
Food Service	57,593	67,887	67,886	(1)
Total Expenditures	1,151,874	1,357,734	1,357,735	1
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, July 1	-	-		
Unencumbered Cash, June 30	\$ -	-		

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 489

Hays, Kansas

Coop Special Education Fund

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended June 30, 2007

(With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Intergovernmental Revenue				
State Aid	\$ 4,679	2,750	-	2,750
Federal Aid	875,958	873,175	841,087	32,088
Medicaid	366,939	351,957	334,194	17,763
Other Sources				
Out of District Tuition	792,369	803,889	1,564,514	(760,625)
Reimbursed Equalization Aid	638,192	752,674	-	752,674
Operating Transfers	3,400,613	3,483,767	3,754,988	(271,221)
Miscellaneous	-	348	-	348
Total Cash Receipts	<u>6,078,750</u>	<u>6,268,560</u>	<u>6,494,783</u>	<u>(226,223)</u>
Expenditures				
Instruction	4,866,265	5,260,879	5,254,347	(6,532)
Student Support Services	829,588	897,762	905,690	7,928
Instructional Support Services	11,394	13,623	15,000	1,377
Special Area Administration Services	314,185	316,489	321,376	4,887
School Administration	100,608	104,650	105,149	499
Operations & Maintenance	205	197	362,115	361,918
Total Expenditures	<u>6,122,245</u>	<u>6,593,600</u>	<u>6,963,677</u>	<u>370,077</u>
Receipts Over (Under) Expenditures	(43,495)	(325,040)		
Unencumbered Cash, July 1	<u>512,390</u>	<u>468,895</u>		
Unencumbered Cash, June 30	<u>\$ 468,895</u>	<u>143,855</u>		

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 489

Hays, Kansas

Recreation Commission Fund

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended June 30, 2007

(With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenues	\$ 672,085	726,527	707,805	18,722
Other Sources				
Miscellaneous Income	-	-	50,000	(50,000)
Total Cash Receipts	672,085	726,527	757,805	(31,278)
Expenditures				
Community Service Operations	672,085	726,527	757,805	31,278
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, July 1	-	-		
Unencumbered Cash, June 30	\$ -	-		

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 489

Hays, Kansas

Recreation Commission Employee Benefits Fund

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended June 30, 2007

(With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenues	\$ 137,575	110,350	107,399	2,951
Other Sources				
Miscellaneous Income	-	-	20,000	(20,000)
Total Cash Receipts	137,575	110,350	127,399	(17,049)
Expenditures				
Community Service Operations	137,575	110,350	127,399	17,049
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, July 1	-	-		
Unencumbered Cash, June 30	\$ -	-		

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 489

Hays, Kansas

O'Loughlin Pre-School Fund

Statement of Cash Receipts and Expenditures - Actual

For the Year Ended June 30, 2007

(With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Other Sources		
Tuition Fees	\$ 19,267	39,156
Expenditures		
Instruction	12,481	45,480
Receipts Over (Under) Expenditures	6,786	(6,324)
Unencumbered Cash, July 1	-	6,786
Unencumbered Cash, June 30	\$ 6,786	462

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 489

Hays, Kansas

Head Start Fund

Statement of Cash Receipts and Expenditures - Actual

For the Year Ended June 30, 2007

(With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Intergovernmental Revenue		
Federal Aid	\$ 892,180	866,005
Expenditures		
Instruction	792,249	779,526
School Administration	63,958	66,272
Total Expenditures	856,207	845,798
Receipts Over (Under) Expenditures	35,973	20,207
Unencumbered Cash, July 1	(56,180)	(20,207)
Unencumbered Cash, June 30	\$ (20,207)	-

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 489

Hays, Kansas

Early Head Start Fund

Statement of Cash Receipts and Expenditures - Actual

For the Year Ended June 30, 2007

(With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Intergovernmental Revenue		
Federal Aid	\$ 604,718	697,301
Expenditures		
Instruction	439,172	649,357
School Administration	31,224	32,954
Indirect Costs	89,818	-
Total Expenditures	560,214	682,311
Receipts Over (Under) Expenditures	44,504	14,990
Unencumbered Cash, July 1	(110,397)	(65,893)
Unencumbered Cash, June 30	\$ (65,893)	(50,903)

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 489

Hays, Kansas

Title I Fund

Statement of Cash Receipts and Expenditures - Actual

For the Year Ended June 30, 2007

(With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Intergovernmental Revenue		
Federal Aid	\$ 380,470	406,759
Expenditures		
Instruction	369,561	395,372
General Administration	10,909	11,387
Total Expenditures	380,470	406,759
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, July 1	-	-
Unencumbered Cash, June 30	\$ -	-

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 489

Hays, Kansas

Title I Carryover Fund

Statement of Cash Receipts and Expenditures - Actual

For the Year Ended June 30, 2007

(With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Intergovernmental Revenue		
Federal Aid	\$ 40,000	14,000
Expenditures		
Instruction	40,000	14,000
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, July 1	-	-
Unencumbered Cash, June 30	\$ -	-

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 489

Hays, Kansas

Title I Migrant Fund

Statement of Cash Receipts and Expenditures - Actual

For the Year Ended June 30, 2007

(With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Intergovernmental Revenue		
Federal Aid	\$ 30,820	47,410
Expenditures		
Instruction	30,820	47,410
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, July 1	-	-
Unencumbered Cash, June 30	\$ -	-

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 489

Hays, Kansas

Title IV Safe and Drug Free Schools Fund

Statement of Cash Receipts and Expenditures - Actual

For the Year Ended June 30, 2007

(With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Intergovernmental Revenue		
Federal Aid	\$ 16,348	12,374
Expenditures		
Instruction	16,348	12,374
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, July 1	-	-
Unencumbered Cash, June 30	\$ -	-

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 489

Hays, Kansas

Title V Innovative Programs Fund

Statement of Cash Receipts and Expenditures - Actual

For the Year Ended June 30, 2007

(With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Intergovernmental Revenue		
Federal Aid	\$ 9,544	4,878
Expenditures		
Instruction	9,544	4,878
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, July 1	-	-
Unencumbered Cash, June 30	\$ -	-

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 489

Hays, Kansas

Title II A Teacher Quality Fund

Statement of Cash Receipts and Expenditures - Actual

For the Year Ended June 30, 2007

(With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Intergovernmental Revenue		
Federal Aid	\$ 144,457	145,816
Expenditures		
Instruction	144,457	145,816
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, July 1	-	-
Unencumbered Cash, June 30	\$ -	-

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 489

Hays, Kansas

Title II D Education Technology Fund

Statement of Cash Receipts and Expenditures - Actual

For the Year Ended June 30, 2007

(With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Intergovernmental Revenue		
Federal Aid	\$ 7,691	4,081
Expenditures		
Instruction	7,691	4,081
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, July 1	-	-
Unencumbered Cash, June 30	\$ -	-

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 489

Hays, Kansas

Emergency Response Grant Fund

Statement of Cash Receipts and Expenditures - Actual

For the Year Ended June 30, 2007

(With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Intergovernmental Revenue		
Federal Aid	\$ 16,960	-
Expenditures		
Instructional Support Services	16,960	-
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, July 1	-	-
Unencumbered Cash, June 30	\$ -	-

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 489

Hays, Kansas

Miscellaneous Mini Grants Fund

Statement of Cash Receipts and Expenditures - Actual

For the Year Ended June 30, 2007

(With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Other Sources		
Public Grants	\$ 22,760	11,790
Expenditures		
Instruction	29,150	21,369
Receipts Over (Under) Expenditures	(6,390)	(9,579)
Unencumbered Cash, July 1	30,722	24,332
Unencumbered Cash, June 30	\$ 24,332	14,753

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 489

Hays, Kansas

EETT Technology Grant Fund

Statement of Cash Receipts and Expenditures - Actual

For the Year Ended June 30, 2007

(With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Intergovernmental Revenue		
Federal Aid	\$ 150,000	40,000
Expenditures		
Instructional Support Services	137,031	45,763
Receipts Over (Under) Expenditures	12,969	(5,763)
Unencumbered Cash, July 1	(7,206)	5,763
Unencumbered Cash, June 30	\$ 5,763	-

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 489

Hays, Kansas

Smart Start 2005 Grant Fund

Statement of Cash Receipts and Expenditures - Actual

For the Year Ended June 30, 2007

(With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Intergovernmental Revenue		
State Aid	\$ 348,631	-
Expenditures		
Instruction	264,110	-
Instructional Support Services	15,614	-
Total Expenditures	279,724	-
Receipts Over (Under) Expenditures	68,907	-
Unencumbered Cash, July 1	(71,386)	-
Prior Year Cancelled Encumbrances	2,479	-
Unencumbered Cash, June 30	\$ -	-

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 489

Hays, Kansas

Smart Start 2006 Grant Fund

Statement of Cash Receipts and Expenditures - Actual

For the Year Ended June 30, 2007

(With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Intergovernmental Revenue		
State Aid	\$ 169,136	327,192
Expenditures		
Instruction	242,357	210,032
Instructional Support Services	24,987	18,952
Total Expenditures	267,344	228,984
Receipts Over (Under) Expenditures	(98,208)	98,208
Unencumbered Cash, July 1	-	(98,208)
Unencumbered Cash, June 30	\$ (98,208)	-

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 489
Hays, Kansas
Smart Start 2007 Grant Fund
Statement of Cash Receipts and Expenditures - Actual
For the Year Ended June 30, 2007

	Current Year Actual
Cash Receipts	
Intergovernmental Revenue	
State Aid	\$ 143,465
Expenditures	
Instruction	220,200
Instructional Support Services	29,524
Total Expenditures	249,724
Receipts Over (Under) Expenditures	(106,259)
Unencumbered Cash, July 1	-
Unencumbered Cash, June 30	\$ (106,259)

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 489
Hays, Kansas
Capital Project - Bus Barn
Statement of Cash Receipts and Expenditures - Actual
For the Year Ended June 30, 2007

	<u>Current Year Actual</u>
Cash Receipts	
Other Sources	
Insurance Reimbursements	\$ 452,270
Expenditures	
Capital Outlay	<u>731,145</u>
Receipts Over (Under) Expenditures	(278,875)
Unencumbered Cash, July 1	<u>-</u>
Unencumbered Cash, June 30	\$ <u><u>(278,875)</u></u>

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 489
Hays, Kansas
Agency Funds
Summary of Cash Receipts and Cash Disbursements
For the Year Ended June 30, 2007

<u>Fund</u>	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Expenditures</u>	<u>Ending Cash Balance</u>
Activity Funds - Student Organizations				
High School				
Class of 2005	\$ 285	-	285	-
Class of 2006	3,600	-	3,600	-
Class of 2007	782	1,421	729	1,474
Class of 2008	4,895	2,504	7,361	38
Class of 2009	2,010	1,762	96	3,676
Class of 2010	-	2,298	662	1,636
Project Graduation	-	4,675	4,675	-
BPA	40	11,851	9,784	2,107
DECA	2,964	29,504	32,168	300
TSA-Tech Student Assoc.	585	-	585	-
Concessions	2,002	10,366	10,368	2,000
Weight Lifting Club	37	123	-	160
FFA	4,257	20,480	17,051	7,686
National Honor Society	1,441	1,161	824	1,778
Research Ind. Tech	3,786	-	3,786	-
Special Woods	2,940	-	2,940	-
Science Club	7,858	5,810	6,262	7,406
Spirit Club	498	134	508	124
Student Council	4,257	9,458	10,197	3,518
Technology/Video	3,640	-	3,640	-
Dance Team	1,149	-	1,149	-
M&M Club	767	-	767	-
International Club	787	4,170	2,147	2,810
Peer Team	256	-	109	147
Cheerleaders	1	-	1	-
Helping Hands	3,968	7,638	6,987	4,619
Total High School	52,805	113,355	126,681	39,479
Felten Middle School				
6th Grade	247	1,227	1,213	261
8th Grade	260	188	166	282
8th Grade Recognition	2,416	3,950	2,516	3,850
Cheerleader	3,016	7,374	8,105	2,285
Dance Team	149	-	-	149
Natural Helpers	617	1,754	1,634	737
Spirit Club	7,008	4,940	5,283	6,665
STUCO	2,796	1,796	1,865	2,727
Video Tech	1,690	-	1,690	-
Builders Club	-	2,006	1,809	197
Character Education	529	467	142	854
Total Felten Middle School	18,728	23,702	24,423	18,007
Balance Forward	\$ 71,533	137,057	151,104	57,486

UNIFIED SCHOOL DISTRICT NO. 489

Hays, Kansas

Agency Funds

Summary of Cash Receipts and Cash Disbursements
For the Year Ended June 30, 2007

<u>Fund</u>	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Expenditures</u>	<u>Ending Cash Balance</u>
Balance Forward	\$ <u>71,533</u>	<u>137,057</u>	<u>151,104</u>	<u>57,486</u>
Kennedy Middle School				
Cheerleaders/Pep Club	27	3,137	3,133	31
8th Grade Night	360	1,954	1,997	317
KMS Dance Team	180	2,711	2,650	241
Total Kennedy Middle School	<u>567</u>	<u>7,802</u>	<u>7,780</u>	<u>589</u>
Washington Grade School				
Student Council	<u>1,716</u>	<u>412</u>	<u>69</u>	<u>2,059</u>
Total Student Activity Funds	\$ <u><u>73,816</u></u>	<u><u>145,271</u></u>	<u><u>158,953</u></u>	<u><u>60,134</u></u>

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 489
Hays, Kansas
District Activity Funds
Statement of Cash Receipts, Expenditures, and Unencumbered Cash
For the Year Ended June 30, 2007

Fund	Beginning Unencumbered Cash Balance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
High School						
Athletics	\$ 25,897	193,098	182,345	36,650	922	37,572
Musical	8,018	24,120	15,539	16,599	-	16,599
Total High School	33,915	217,218	197,884	53,249	922	54,171
Felten Middle School						
Athletics	4,525	42,240	39,380	7,385	-	7,385
Kennedy Middle School						
Athletics	220	3,151	3,371	-	-	-
Total Gate Receipts	38,660	262,609	240,635	60,634	922	61,556
High School						
Band	748	18,951	17,526	2,173	-	2,173
Chamber Singers	8,808	76,340	72,213	12,935	1,211	14,146
Publications/Journalism	31,503	30,223	28,792	32,934	-	32,934
Band Boosters	3,835	8,533	8,693	3,675	-	3,675
Orchestra Instruments	476	1,780	1,850	406	-	406
HHS Vocal	7,288	4,275	7,924	3,639	-	3,639
Vocal Boosters	-	16,357	-	16,357	-	16,357
Orchestra	2,266	6,599	6,730	2,135	830	2,965
Ben Gibson Music Memorial	-	245	-	245	-	245
Athletic Foundations	14,629	26,597	26,599	14,627	-	14,627
Hays City Shootout	-	17,370	16,994	376	-	376
Basketball Clinic	2,606	2,505	5,026	85	-	85
Drama	1,469	1,726	1,753	1,442	-	1,442
Dance Student ID Fee	-	50	-	50	-	50
Hays High Industrial Tech Association	-	16,499	13,511	2,988	2,485	5,473
Video	-	11,904	7,938	3,966	59	4,025
Science Breakage	212	56	-	268	-	268
Special Woods	-	4,570	1,414	3,156	-	3,156
Business	655	474	423	706	-	706
Stich N'Design	15	563	564	14	-	14
State Tax	1,174	11,684	10,862	1,996	-	1,996
HHS Ath Adv Fund	-	50	-	50	-	50
Athletic Equipment	4,821	5,606	10,427	-	-	-
Athletic Supplies	6,150	-	5,332	818	-	818
Athletic Officials	-	22,602	22,532	70	-	70
Science Olympiad	-	445	445	-	-	-
Crafts/Leisure	247	-	51	196	-	196
Psychology	1,767	770	420	2,117	-	2,117
Web Team	189	8,504	7,640	1,053	-	1,053
Stock Market Game	49	-	49	-	-	-
ESL	260	-	190	70	-	70
FFA Memorial	1,043	-	-	1,043	-	1,043
FFA Foundation	167	-	167	-	-	-
Science Lab Books	411	761	723	449	-	449
Newspaper	137	1,446	1,580	3	-	3
Library	675	834	1,418	91	-	91
School Improvements	444	33,476	32,498	1,422	-	1,422
Guidance Office	144	2,784	2,598	330	-	330
Orchestra Scholarship	240	394	500	134	-	134
Total High School	92,428	334,973	315,382	112,019	4,585	116,604
Balance Carried Forward	\$ 92,428	334,973	315,382	112,019	4,585	116,604

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 489
Hays, Kansas
District Activity Funds
Statement of Cash Receipts, Expenditures, and Unencumbered Cash
For the Year Ended June 30, 2007

Fund	Beginning Unencumbered Cash Balance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Balance Brought Forward	\$ 92,428	334,973	315,382	112,019	4,585	116,604
Felten Middle School						
Band	2,612	3,612	3,006	3,218	-	3,218
Vocal	2,482	4,025	5,733	774	-	774
Orchestra	67	597	585	79	-	79
Yearbook	6,389	6,980	5,391	7,978	-	7,978
Quiz/Scholar Bowl	150	283	248	185	-	185
Teacher Classroom	102	2,688	2,419	371	-	371
PE Locks	759	731	794	696	-	696
Magazine	9,826	4,653	8,165	6,314	-	6,314
Falcon Project	7,779	-	7,779	-	-	-
Pencil Project	-	154	10	144	-	144
Library	374	211	379	206	-	206
Video Tech	-	4,220	3,197	1,023	-	1,023
Sales Tax	-	2,056	2,056	-	-	-
Special Proj - Sch Imp	6,284	12,925	10,293	8,916	-	8,916
O'Gara Memorial	635	-	635	-	-	-
Interest	-	155	155	-	-	-
Total Felten Middle School	37,459	43,290	50,845	29,904	-	29,904
Kennedy Middle School -						
Library Improvements	1,995	72	2,002	65	-	65
State & City Tax	-	1,140	1,130	10	-	10
Student Council	2,614	6,697	9,238	73	-	73
Ed. Improvements	(15)	14,010	11,384	2,611	-	2,611
Yearbook	1,296	4,104	3,039	2,361	-	2,361
Total Kennedy Middle School	5,890	26,023	26,793	5,120	-	5,120
Wilson Grade School						
Principal's Contingency	-	6,029	4,876	1,153	-	1,153
Teacher Classroom	-	8,615	3,708	4,907	-	4,907
School Improvement	6,901	-	6,901	-	-	-
Yearbook	1,410	2,426	3,294	542	-	542
Library	-	1,780	1,061	719	-	719
Pen/Paper Machines	536	306	519	323	-	323
Field Trips/Projects	-	3,579	3,579	-	-	-
Boxtops/Campbell's Labels	1,022	466	1,198	290	-	290
Total Wilson Grade School	9,869	23,201	25,136	7,934	-	7,934
Lincoln Grade School						
Principal's Contingency	3,239	7,686	7,879	3,046	-	3,046
Teacher Classroom	1,537	2,727	2,280	1,984	-	1,984
Pictures	2,092	320	1,322	1,090	-	1,090
Sales Tax	-	24	24	-	-	-
Special Projects	3,533	4,467	2,156	5,844	-	5,844
Total Lincoln Grade School	10,401	15,224	13,661	11,964	-	11,964
Balance Carried Forward	\$ 156,047	442,711	431,817	166,941	4,585	171,526

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 489
Hays, Kansas
District Activity Funds
Statement of Cash Receipts, Expenditures, and Unencumbered Cash
For the Year Ended June 30, 2007

Fund	Beginning Unencumbered Cash Balance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Balance Brought Forward	\$ 156,047	442,711	431,817	166,941	4,585	171,526
O'Loughlin Grade School						
School Pictures	4,812	3,461	3,085	5,188	-	5,188
Teacher Classroom	3,631	5,399	4,579	4,451	-	4,451
Book Fair	448	6,599	5,269	1,778	-	1,778
School and Field Trip Acct.	4,912	662	-	5,574	-	5,574
Ambassador	-	556	386	170	-	170
Yearbook	74	2,364	2,398	40	-	40
Notebooks	360	-	324	36	-	36
Candy	306	1,495	1,534	267	-	267
Agendas	570	540	420	690	-	690
Big G Tops	205	338	238	305	-	305
Principal's Fund	1,977	1,076	2,767	286	-	286
Binder	463	270	255	478	-	478
Pencil	-	543	296	247	-	247
Earthworks	887	-	-	887	-	887
Exchange City	1,350	31	533	848	-	848
Total O'Loughlin Grade School	19,995	23,334	22,084	21,245	-	21,245
Roosevelt Grade School						
Library	519	106	41	584	-	584
RAS Daycare	171	1,037	171	1,037	-	1,037
Classroom Parties	561	713	1,274	-	-	-
Principal's Contingency	2,939	4,364	541	6,762	-	6,762
Teacher Classroom	3,630	3,744	3,673	3,701	-	3,701
Pencil & Notebook	1,971	1,450	1,413	2,008	-	2,008
Interest	1,351	72	1,418	5	-	5
OWLS	16	-	16	-	-	-
Special Project	9,599	10,220	9,227	10,592	-	10,592
Big Rigs Fund	500	-	500	-	-	-
Foundation for Education	1,873	900	2,773	-	-	-
Total Roosevelt Grade School	23,130	22,606	21,047	24,689	-	24,689
Washington Grade School						
Principal's Contingency	1,608	1,992	1,428	2,172	-	2,172
Pictures	547	288	42	793	-	793
Yearbook	1,166	303	20	1,449	-	1,449
Book Programs	1,012	1,007	924	1,095	-	1,095
T-Shirts/Sweatshirts	309	1,183	1,077	415	-	415
Trip	611	381	164	828	-	828
Mentor Program	2,275	-	-	2,275	-	2,275
Classroom Activities	3,036	2,685	2,445	3,276	-	3,276
Reading is Fundamental	83	10	93	-	-	-
Special Programs	66	-	66	-	-	-
Pencils & Notebooks	378	375	363	390	-	390
Sports	236	-	-	236	-	236
Total Washington Grade School	11,327	8,224	6,622	12,929	-	12,929
Area Schools						
Principal's Contingency	128	-	128	-	-	-
Munjoy School Misc.	272	-	272	-	-	-
Munjoy Library	10	-	10	-	-	-
Book Fair - Special Education	106	-	106	-	-	-
Total Area Schools	516	-	516	-	-	-
Total School Projects	211,015	486,875	482,086	225,804	4,585	230,389
Total District Activity Funds	\$ 249,675	759,484	722,721	286,438	5,507	291,945

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 489
Hays, Kansas

Bond and Interest Fund

Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2007

(With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenues				
Ad Valorem Tax	\$ 597,787	697,132	686,087	11,045
Delinquent Tax	8,507	6,165	7,750	(1,585)
Motor Vehicle Tax	95,976	68,917	60,589	8,328
Intergovernmental Revenue				
State Aid	68,252	30,320	30,320	-
Total Cash Receipts	<u>770,522</u>	<u>802,534</u>	<u>784,746</u>	<u>17,788</u>
Expenditures				
Principal	610,000	635,000	635,000	-
Interest	148,358	122,987	122,988	1
Commissions and Postage	-	-	25	25
Total Expenditures	<u>758,358</u>	<u>757,987</u>	<u>758,013</u>	<u>26</u>
Receipts Over (Under) Expenditures	12,164	44,547		
Unencumbered Cash, July 1	<u>634,024</u>	<u>646,188</u>		
Unencumbered Cash, June 30	<u>\$ 646,188</u>	<u>690,735</u>		

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 489

Hays, Kansas

No Fund Warrant Fund

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended June 30, 2007

(With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenues				
Ad Valorem Tax	\$ 69,669	104,673	102,822	1,851
Delinquent Tax	1,601	796	903	(107)
Motor Vehicle Tax	23,043	8,134	7,121	1,013
Total Cash Receipts	94,313	113,603	110,846	2,757
Expenditures				
Principal	104,908	108,270	108,270	-
Interest	7,713	4,351	4,352	1
Total Expenditures	112,621	112,621	112,622	1
Receipts Over (Under) Expenditures	(18,308)	982		
Unencumbered Cash, July 1	67,441	49,133		
Unencumbered Cash, June 30	\$ 49,133	50,115		

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 489
Hays, Kansas
Notes to Financial Statements
June 30, 2007

1. Summary of Significant Accounting Policies

The District has established a uniform system of accounting maintained to reflect compliance with the applicable laws of the State of Kansas. The accompanying financial statements are presented to conform to the statutory basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The following is a summary of such significant policies.

A. Financial Reporting Entity

Unified School District No. 489, Hays, Kansas is a municipal corporation governed by an elected board. The District receives funding from local, state and federal government sources and must comply with the requirements of these funding sources.

The financial statements of the District consist of all the funds of the District that are considered to be controlled by or dependent on the District except for Unified School District 489 Foundation for Educational Excellence. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and appointment of the respective governing board.

Unified School District No. 489, Hays, Kansas, is the primary government as defined in GASB #14 and further amended by GASB #39. The School Board is elected by the public. The Board has the authority to make decisions, levy taxes, influence operations and has the primary accountability in fiscal matters.

The following is a component unit of **Unified School District No. 489, Hays, Kansas**. The District exercises significant influence or accountability based primarily on operational or financial relationships with the District (as distinct from legal relationships).

Unified School District 489 Foundation for Educational Excellence

The Unified School District No. 489 Foundation for Educational Excellence is organized as a non-profit organization in the State of Kansas for the sole purpose of providing charitable and educational functions to **Unified School District No. 489**. Seven members of the Board of Trustees of the foundation are also members of the Board of Education of **Unified School District No. 489**. Their financial statements are not included in this report. Contact the District Clerk for information on how to obtain their financial information.

B. Basis of Presentation – Fund Accounting

The accounts of the District are organized and operated on the basis of funds. In governmental accounting, a fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds accordingly to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

The following categories of funds comprise the financial activities of the District for the year ended June 30, 2007:

Governmental Funds

General Fund – Reports as the primary fund of the District. The fund is used to account for all financial resources not reported in other funds.

UNIFIED SCHOOL DISTRICT NO. 489
Hays, Kansas
Notes to Financial Statements
June 30, 2007

B. Basis of Presentation – Fund Accounting (cont.)

Special Revenue Funds – To account for the proceeds of specific revenue sources (other than special assessments or major capital projects) that are restricted by law or administrative action to expend for specific purposes.

Debt Service Funds - To account for the accumulation of resources for and the payment of interest and principal on general long-term debt which are general obligations of the District.

Capital Project Fund – To account for the financial resources segregated for the acquisition of major capital facilities.

Fiduciary Fund

Student Activity Fund - To account for the receipts and disbursement of monies from student activity organizations. These organizations exist with the explicit approval of and are subject to revocation by the District's Board of Education. This accounting reflects the District's agency relationship with the student activity organizations.

C. Statutory Basis of Accounting

The statutory basis of accounting, as used in the preparation of these statutory basis financial statements, is designed to demonstrate compliance with the statutory basis and budget laws of the State of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. Expenditures include disbursements, accounts payable and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract.

The District has approved a resolution that is in compliance with K.S.A. 75-1120 a(c), waiving the requirement for application of generally accepted accounting principles and allowing the District to use the statutory basis of accounting.

D. Departure From Accounting Principles Generally Accepted in the United States of America

The basis of accounting described above results in a financial statement presentation which shows cash receipts, cash disbursements, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, prepaid expense, and liabilities such as deferred revenue, matured principal and interest payable, and reservations of the fund balance are not presented. Under generally accepted accounting principles, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles. General capital assets that account for the land, buildings, and equipment owned by the District and general long-term debt such as general obligation bonds, temporary notes, and compensated absences are not presented in the financial statements.

E. Accounting for Capital Assets and Depreciation

The District does not maintain a record of capital assets used in performance of general government operations as required by generally accepted accounting principles.

UNIFIED SCHOOL DISTRICT NO. 489

Hays, Kansas

Notes to Financial Statements

June 30, 2007

F. Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the General Fund, Special Revenue Funds (unless specifically exempted by statute), and Debt Service Funds. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding fiscal year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. The KPERS Special Retirement Contribution Fund and the Parent Education Program Fund were amended during the fiscal year 2007.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the modified accrual basis of accounting, modified further by the encumbrance method of accounting. Revenues are recognized when cash is received. Expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for capital project funds, fiduciary funds, and the following special revenue funds:

O'Loughlin Pre-School, Head Start, Early Head Start, Title I, Title I Carryover, Title I Migrant, Title IV Safe and Drug Free Schools, Title V Innovative Programs, Title II A Teacher Quality, Title II D Education Technology, Emergency Response Grant, Miscellaneous Mini Grants, EETT Technology Grant, Smart Start 2005 Grant, Smart Start 2006 Grant, Smart Start 2007 Grant, Gate Receipts, and School Projects.

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

UNIFIED SCHOOL DISTRICT NO. 489
Hays, Kansas
Notes to Financial Statements
June 30, 2007

G. Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods and services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental funds.

H. Deposits and Investments

The District follows the practice of pooling cash and investments of all funds. Each fund's portion of total cash and investments is summarized by fund type in the Summary of Cash Receipts, Expenditures, and Unencumbered Cash.

As of June 30, 2007, the District had no investments.

K.S.A. 9-1401 establishes the depositories which may be used by the District. The statute requires banks eligible to hold the District's funds have a main or branch bank in the County in which the District is located or in an adjoining County if such institution has been designated as an official depository and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the District's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit its investment choices.

Concentration of credit risk. State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The District did not use peak depository coverage. All deposits were legally secured as of June 30, 2007.

At June 30, 2007, the District's carrying amount of deposits was \$2,187,383 and the bank balance was \$4,981,871. Of the bank balance, \$305,921 was covered by federal depository insurance and \$4,675,950 was collateralized with securities held by the pledging financial institutions agents in the District's name.

I. Property Tax Calendar

Property taxes are collected and remitted to the District by the Ellis County and Rush County Treasurers. Taxes levied annually on November 1 are due one-half by December 20th and one-half by May 10th. Major property tax payments are received December through June and are recognized as revenue in the year received.

J. Inventories and Prepaid Expenses

Inventories and prepaid expenses which benefit future periods are recorded as expenditures during the year of purchase as required by state statutes.

UNIFIED SCHOOL DISTRICT NO. 489
Hays, Kansas
Notes to Financial Statements
June 30, 2007

K. Compensated Absences

The District's contract with various employees permits them to accumulate sick leave. Certified and non-certified personnel may accumulate sick leave at 2 days per annum and 1 day per contract month with full salary. Unused sick leave is cumulative without limit. Upon termination, employees with five (5) years of service will receive accumulated sick leave at a rate of \$60 per day for all days above 30 days. The total potential liability for sick leave approximated \$1,580,946 at June 30, 2007. This potential liability is disclosed in Note 2.

Classified personnel who have completed a full year of service on June 1 are granted paid vacation based on length of service. All vacation awarded in any given year shall be taken during that same contract year.

L. Defined Benefit Pension Plan

Plan Description - Unified School District No. 489, Hays, Kansas participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 South Kansas Avenue, Suite 100; Topeka, KS 66603-3803) or by calling 1-888-275-5737.

Funding Policy - K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% of covered salary. Member-employees' contributions are withheld by their employer and paid to KPERS according to the provisions of section 414(h) of the Internal Revenue Code. The State of Kansas is required to contribute the remaining amount necessary to achieve the actuarially determined contribution rate. Kansas contributed 6.77% of covered payroll for the fiscal year ended June 30, 2007. These contribution requirements are established by KPERS and are periodically revised. Kansas' contributions to KPERS for all Kansas public school employees for the years ending June 30, 2007, 2006, and 2005 were \$192,425,626, \$159,728,918, and \$138,176,951, respectively, equal to the required contributions for each year.

M. Deferred Compensation Plan

The District sponsors deferred compensation plans, under the Internal Revenue Code Sections 403(b) and 457(b). Permanent and part time employees are eligible to participate under these plans. The employer is responsible for the amount of deferred compensation to be contributed. The District is not required to make any contributions.

N. Other Post Employment Benefits

The District provides postretirement healthcare benefits, effective September 18, 2000, in accordance with State statutes. To be eligible for early retirement, the employee must have been employed in the District in a full-time position at least ten years and turn 55 years of age or older prior to the first day of school the following year. The employee must be a current employee and give written notice to the Superintendent on or before May 10th of the year in which the employee wishes to retire early. The District will pay a minimum of \$5,078 annually toward the retired employees' health insurance in the District pool until the retiree reaches age 65. Throughout the year ended June 30, 2007, 50 retirees met those eligibility requirements. Expenditures for postretirement healthcare benefits are recognized as retirees report claims. During the year, expenditures of \$225,294 were recognized for postretirement healthcare.

UNIFIED SCHOOL DISTRICT NO. 489
Hays, Kansas
Notes to Financial Statements
June 30, 2007

N. Other Post Employment Benefits (cont.)

As provided by K.S.A. 12-5040, the District allows retirees who have reached age 65 to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the District is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in these financial statements.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District makes health care benefits available to eligible former employee's eligible dependents. Certain requirements are outlined by the District for this coverage. The Premium is paid in full by the insured. There is no cost to the government under this program.

2. Long Term Debt

The District has the following types of Long Term Debt:

General Obligation Bonds – The District issued general obligation bonds in the amount of \$4,440,000 to finance various school improvements.

Lease Obligations – The District has entered into lease agreements with an option to purchase at the expiration of the lease terms. The leases contain a fiscal funding clause.

No Fund Warrants – The District issued no fund warrants in the amount of \$320,000 to finance the purchase of textbooks.

The changes in long term debt and the maturity of long term debt are disclosed on the following two pages.

UNIFIED SCHOOL DISTRICT NO. 489
Hays, Kansas
Statement of Changes in Long Term Debt
For the Year Ended June 30, 2007

ISSUE	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Net Change	Balance End of Year	Interest Paid
General Obligation Bonds										
Series 1998	4.00-4.25%	09/01/98	4,440,000	11/01/10	\$ 3,250,000	-	(635,000)	(635,000)	2,615,000	122,988
No Fund Warrant	4.98%	10/18/04	319,834	10/18/07	163,700	-	(108,270)	(108,270)	55,430	4,351
Capital Leases										
Elementary Classroom Additions	4.92%	03/01/02	645,000	10/31/09	347,839	-	(80,804)	(80,804)	267,035	17,100
2 at Roosevelt										
2 at O'Loughlin										
Band Instruments	7.51%	07/25/05	200,785	10/01/07	130,909	-	(63,198)	(63,198)	67,711	9,349
2000 John Deere Backhoe	5.25%	11/15/05	24,800	11/15/07	16,889	-	(8,223)	(8,223)	8,666	480
Dell Computers	4.30%	05/09/07	3,710,745	02/01/11	-	3,710,745	-	3,710,745	3,710,745	-
Total Capital Leases			4,581,330		495,637	3,710,745	(152,225)	3,558,520	4,054,157	26,929
Subtotal			9,341,164		3,909,337	3,710,745	(895,495)	2,815,250	6,724,587	154,268
Amount to be Provided for Compensated Absences	N/A	N/A	N/A	N/A	1,492,625	88,321	-	88,321	1,580,946	-
Total Long-Term Debt			9,341,164		\$ 5,401,962	3,799,066	(895,495)	2,903,571	8,305,533	154,268

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 489
Hays, Kansas
Schedule of Maturity of Long Term Debt
For the Year Ended June 30, 2007

	2008	2009	2010	2011	Total
Principal					
General Obligation Bond - Series 1998	\$ 660,000	685,000	720,000	550,000	2,615,000
No Fund Warrant	55,430	-	-	-	55,430
Capital Leases	1,062,452	985,878	1,029,233	976,594	4,054,157
Total Principal	1,777,882	1,670,878	1,749,233	1,526,594	6,724,587
Interest					
General Obligation Bond - Series 1998	96,358	68,360	38,675	11,688	215,081
No Fund Warrant	881	-	-	-	881
Capital Leases	124,901	120,226	76,871	31,607	353,605
Total Interest	222,140	188,586	115,546	43,295	569,567
Total Principal and Interest	\$ 2,000,022	1,859,464	1,864,779	1,569,889	7,294,154

UNIFIED SCHOOL DISTRICT NO. 489
Hays, Kansas
Notes to Financial Statements
June 30, 2007

3. Operating Leases

The District is obligated under certain leases accounted for as operating leases. Operating leases do not give rise to property rights or lease obligations, and therefore the results of the lease agreements are not reflected in the District's financial statements.

The following is a schedule by years of future minimum rental payments required under operating leases that have initial or remaining non-cancelable lease terms in excess of one year as of June 30, 2007.

Inception Date	Expiration	Description	2008	2009	2010	2011	2012	Total
10/6/2004	6/30/2010	Xerox Copier 2101	\$ 13,174	13,174	-	-	-	26,348
6/30/2003	6/30/2008	Xerox Copier 5900	10,498	-	-	-	-	10,498
6/30/2003	7/1/2008	Pitney Bowes Postage Mtr.	10,935	-	-	-	-	10,935
			<u>\$ 34,607</u>	<u>13,174</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,781</u>

4. Transfers and Payments

Transfers and payments within the reporting entity are substantially for the purpose of subsidizing operating functions, funding capital projects and asset acquisitions, or maintaining debt service on a routine basis as authorized by Kansas Statutes. The District's operating transfers and statutory authority for June 30, 2007 were as follows:

From	To	Statutory Authority	Amount
General	Bilingual Education	K.S.A. 72-9509	\$ 59,871
General	Driver Training	K.S.A. 72-6423	23,175
General	Special Education	K.S.A. 72-6420	3,479,766
General	Professional Development	K.S.A. 72-9609	21,720
General	Summer School	K.S.A. 72-8237	3,620
General	Vocational Education	K.S.A. 72-6421	758,722
General	Parent Education Program	K.S.A. 72-3607	42,738
General	At Risk (4 Year Old)	K.S.A. 72-6414(b)	163,339
General	At Risk (K-12)	K.S.A. 72-6414(a)	1,054,145
Special Education	Coop Special Education	K.S.A. 72-967	3,483,767
TOTAL			<u>\$ 9,090,863</u>

5. Related Party Transactions

In accordance with Financial Accounting Standards Board of Statement No. 57 (the Statement), the following related party transactions were identified for the fiscal year 2006. Related party transactions do not include compensation arrangements, expense allowances and reimbursements, and similar items incurred in the ordinary course of operations and, accordingly, such items are not included below.

Richard Kraemer - Shareholder of Insurance Planning and a Board Member of Unified School District No. 489.

2007
\$ 147,448

UNIFIED SCHOOL DISTRICT NO. 489
Hays, Kansas
Notes to Financial Statements
June 30, 2007

6. Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements on a prescribed basis of accounting that demonstrates compliance with the statutory basis and budget laws of the State of Kansas requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

7. Risk Management Claims & Judgements

The District is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has been able to obtain errors and omissions insurance at a cost it considered to be economically justifiable.

The District carries commercial insurance for risk of loss, including property, general liability, inland marine, umbrella, auto, workers compensation, and fidelity bond coverage.

Settled claims resulting from these risks have not exceeded commercial coverage in any of the past three calendar years.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. At June 30, 2007, the financial statements do not include liabilities for anticipated costs.

8. Litigation

The District is party to various legal proceedings which normally occur in governmental operations. These legal proceedings are not likely to have a material adverse impact on the funds of the District.

9. Grants and Shared Revenues

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations for the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required. In the opinion of the District, any liability for reimbursement, which may arise as the result of the audits, is not believed to be material.

10. Comparative Data

Comparative total data for the prior year has been presented in Statement 3 in the accompanying financial statements in order to provide an understanding of changes in the District's cash and unencumbered cash balances. However, complete comparative data (i.e., presentation of prior year totals in Statement 1 and Statement 2) has not been presented since their inclusion would make certain statements unduly complex and difficult to read.

11. Compliance with K.S.A. 72-6417(d) and K.S.A. 72-6434(d)

K.S.A. 72-6417(d) and K.S.A. 72-6434(d) require the school district to record any payment of general state aid that is due to be paid during the month of June and is paid to the school district after June 30, as a receipt for the school year ending on June 30. The following two pages show the revenue as required by these Statutes.

UNIFIED SCHOOL DISTRICT NO. 489

**Hays, Kansas
General Fund**

Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2007
(With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenues				
Ad Valorem Tax	\$ 3,617,868	3,927,901	3,868,186	59,715
Delinquent Tax	49,668	35,738	46,729	(10,991)
Intergovernmental Revenue				
Equalization Aid	10,869,589	10,867,290	11,017,283	(149,993)
Mineral Production Tax	26,764	34,075	26,764	7,311
State Aid	6,000	7,027	-	7,027
Special Education State Aid	2,113,819	2,348,577	2,366,714	(18,137)
Federal Aid	-	20,000	-	20,000
Other Sources				
Reimbursements	341,773	38,424	-	38,424
Total Cash Receipts	<u>17,025,481</u>	<u>17,279,032</u>	<u>17,325,676</u>	<u>(46,644)</u>
Expenditures				
Instruction	5,600,502	5,117,433	4,940,234	(177,199)
Student Support Services	664,958	666,409	646,344	(20,065)
Instructional Support Services	525,314	559,099	540,853	(18,246)
General Administration	709,546	738,470	693,808	(44,662)
School Administration	1,829,322	1,810,124	1,761,601	(48,523)
Operations & Maintenance	1,852,553	1,890,029	1,765,250	(124,779)
Student Transportation Services	745,611	780,709	810,192	29,483
Other Supplemental Services	106,090	109,706	109,141	(565)
Operating Transfers	4,991,951	5,607,096	6,058,296	451,200
Adjustment to Comply with Legal Max	-	-	(112,095)	(112,095)
Legal General Fund Budget	<u>17,025,847</u>	<u>17,279,075</u>	<u>17,213,624</u>	<u>(65,451)</u>
Adjustment for Qualifying Budget Credit (a)	<u>-</u>	<u>-</u>	<u>65,451</u>	<u>65,451</u>
Total Expenditures	<u>17,025,847</u>	<u>17,279,075</u>	<u>17,279,075</u>	<u>-</u>
Receipts Over (Under) Expenditures	(366)	(43)		
Unencumbered Cash, July 1	366	44		
Prior Year Cancelled Encumbrances	<u>44</u>	<u>29</u>		
Unencumbered Cash, June 30	<u>\$ 44</u>	<u>30</u>		

UNIFIED SCHOOL DISTRICT NO. 489

Hays, Kansas

Supplemental General Fund

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended June 30, 2007

(With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

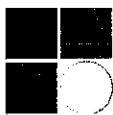
	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenues				
Ad Valorem Tax	\$ 3,246,976	4,119,922	3,956,508	163,414
Delinquent Tax	41,437	33,852	41,926	(8,074)
Motor Vehicle Tax	341,206	421,556	368,886	52,670
Intergovernmental Revenue				
Equalization Aid	733,122	704,589	708,968	(4,379)
Total Cash Receipts	<u>4,362,741</u>	<u>5,279,919</u>	<u>5,076,288</u>	<u>203,631</u>
Expenditures				
Instruction	4,480,364	5,148,388	5,197,716	49,328
General Administration	17,314	17,217	-	(17,217)
Adjustment to Comply with Legal Max	-	-	(32,111)	(32,111)
Total Expenditures	<u>4,497,678</u>	<u>5,165,605</u>	<u>5,165,605</u>	<u>-</u>
Receipts Over (Under) Expenditures	(134,937)	114,314		
Unencumbered Cash, July 1	<u>256,366</u>	<u>121,429</u>		
Unencumbered Cash, June 30	<u>\$ 121,429</u>	<u>235,743</u>		

UNIFIED SCHOOL DISTRICT NO. 489
Hays, Kansas
Notes to Financial Statements
June 30, 2007

12. Compliance with Kansas Statutes

The District had checks outstanding for more than two years as of June 30, 2007, which is in violation of K.S.A. 10-816.

ADAMS
BROWN
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& BALL



Certified
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Michelle Schneider

Justin T. Mitchell

Steven R. Howard

Vickie L. Dreiling

James F. Adams

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

To the Board of Education
Unified School District No. 489
Hays, KS 67601

We have audited the financial statements of **Unified School District No. 489**, as of and for the year ended June 30, 2007, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 10, 2007. The report on the audited financial statements was adverse because it was not presented in conformity with accounting principles generally accepted in the United States of America and did not include the component unit. Except as discussed in the preceding sentence, we conducted our audit in accordance with the Kansas Municipal Audit Guide, auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered **Unified School District No. 489's** internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of **Unified School District No. 489's** internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of **Unified School District No. 489's** internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects **Unified School District No. 489's** ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of **Unified School District No. 489's** financial statements that is more than inconsequential will not be prevented or detected by **Unified School District No. 489's** internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by **Unified School District No. 489's** internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as described above.

Compliance And Other Matters

As part of obtaining reasonable assurance about whether **Unified School District No. 489's** financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement

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amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain immaterial instances of noncompliance that we have reported to management of **Unified School District No. 489**, in a separate letter dated December 10, 2007.

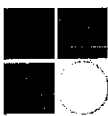
This report is intended solely for the information and use of the Board of Education, Management, others within the District, and for filing with the Kansas Department of Administration, Division of Accounts and Reports, Federal Awarding Agencies and Pass Through Entities, and is not intended to be and should not be used by anyone other than these specified parties.

Adams Brown Beran & Ball

ADAMS, BROWN, BERAN & BALL, CHTD.
Certified Public Accountants

December 10, 2007

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& BALL



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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Education
Unified School District No. 489
Hays, KS 67601

Compliance

We have audited the compliance of **Unified School District No. 489**, with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2007. **Unified School District No. 489's**, major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of **Unified School District No. 489's**, management. Our responsibility is to express an opinion on **Unified School District No. 489's**, compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the *Kansas Municipal Audit Guide*; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about **Unified School District No. 489's** compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on **Unified School District No. 489's** compliance with those requirements.

In our opinion, **Unified School District No. 489**, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007.

Internal Control Over Compliance

The management of **Unified School District No. 489**, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered **Unified School District No. 489's**, internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of **Unified School District No. 489's** control over compliance.

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Internal Control Over Compliance (Cont.)

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Education, Management, others within the District, and for filing with the Kansas Department of Administration, Division of Accounts and Reports, Federal Awarding Agencies and Pass Through Entities, and is not intended to be and should not be used by anyone other than these specified parties.

Adams, Brown, Beran & Ball

ADAMS, BROWN, BERAN & BALL, CHTD.
Certified Public Accountants

December 10, 2007

UNIFIED SCHOOL DISTRICT NO. 489
Hays, Kansas

Supplemental Information

For the Year Ended June 30, 2007

UNIFIED SCHOOL DISTRICT NO. 489
Hays, Kansas
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2007

A. Summary of Auditors' Results -

1. The auditors' report expresses a qualified opinion on the financial statements of **Unified School District No. 489**.
2. No significant deficiencies relating to the audit of the financial statements are reported in the Report on Internal Control over Financial Reporting and on Compliance with Other Matters Based on an Audit of Financial Statements performed in accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of **Unified School District No. 489**, were discussed during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs are reported in the Report on Compliance with Requirements Applicable to each Major Program and on Internal Control over Compliance in accordance with OMB Circular A-133.
5. The auditors' report on compliance for the major federal award programs for **Unified School District No. 489**, expresses an unqualified opinion on all major federal programs.
6. Audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 are reported in this schedule.
7. The programs tested as major programs were:
 - 84-010 Title I Grants to Local Educational Agencies
 - 84-027 Special Education – Grants to States
 - 84.173 Special Education – Preschool Grants
 - 93.600 Head Start
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. **Unified School District No. 489**, does not qualify as a low risk auditee.

B. Compliance - Financial Statement Audit -

No material findings are required to be disclosed under Government Auditing Standards.

C. Findings and Questioned Costs - Major Federal Award Programs Audit -

No material findings and questioned costs are required to be disclosed under OMB Circular A-133.

UNIFIED SCHOOL DISTRICT NO. 489
Hays, Kansas
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2007

Findings and Questioned Costs – Major Federal Award Programs

No material findings or questioned costs were reported for June 30, 2006.

UNIFIED SCHOOL DISTRICT NO. 489

Hays, Kansas

Schedule of Expenditures of Federal Awards - Statutory Basis
For the Year Ended June 30, 2007

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Agency or Pass-Through Number	Expenditures
U.S. Department of Agriculture			
Passed Through Kansas State Department of Education:			
Food Service Fund			
National School Lunch Program	10.555	3530-3500 3500 9902/03/12 \$	424,620
School Breakfast Program	10.553	3529-3490 3490 9904	66,144
Summer Food Service Program for Children	10.559	3230-3020 3020 9923/25/88	13,046
State Administrative Expenses for Child Nutrition	10.560	3230-3020 R201	1,050
Child & Adult Care Food Program	10.558	3531-3510 3510 9916/21	53,421
Total Food Service Fund			558,281
U.S. Department of Education			
Passed Through Kansas State Board of Education:			
Title I Fund			
Title I Grants to Local Educational Agencies	84.010	3532-3520 3520	406,759
Title I School Improvement Fund			
Title I Program Improvement	84.010	3532-3520 3520	14,000
Title I Migrant Fund			
Migrant Education - Basic State Grant Program	84.011	3537-3570 3570	47,410
Coop Special Education Fund			
Special Education - Grants to States	84.027	3234-3050 3050 1000/5000	841,520
Special Education - Preschool Grants	84.173	3535-3550 3550 1000	31,655
Total Coop Special Education Fund			873,175
Vocational Education Fund			
Vocational Ed- Basic Grants to States	84.048	3539-3590-3590-9920	30,107
Title V Innovative Program Fund			
Title V Innovative Education Programs	84.298	3533-3530 3530 9901	4,878
Title II A Teacher Quality Fund			
Improving Teacher Quality State Grants	84.367	3256-3860 3860	145,816
Title II D Technology Fund			
Technology Literacy Challenge Fund Grant	84.318	3233-3040 3040 9963	4,081
EETT Technology Grant Fund			
Technology Literacy Challenge Fund Grant	84.318	3233-3040 3040 9962	45,763
Title IV Drug Free Fund			
Safe & Drug Free Schools and Communities - State Grant	84.186	3795-3100 3100 1000	12,374
Balance Carried Forward			\$ 2,142,644

See Accountants' Report

UNIFIED SCHOOL DISTRICT NO. 489
Hays, Kansas
Schedule of Expenditures of Federal Awards - Statutory Basis
For the Year Ended June 30, 2007

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Agency or Pass-Through Number	Federal Disbursements/ Expenditures
Balance Brought Forward			\$ 2,142,644
General Fund			
Vocational Ed- Basic Grants to States	84.048	3539-3590-3590-9920	195
General Fund			
Charter Schools	84.282	3795-3100-3100-1000	90
<u>U.S. Department of Health & Human Services</u>			
Direct Programs:			
Head Start Fund			
Head Start Program	93.600	2K96G	845,798
Early Head Start Fund			
Head Start Program	93.600	2K96G	220,571
Passed Through Kansas Department of Social Rehabilitation Services			
Child Care & Development Block Grant	93.575	05-07CH0406	461,740
Total Early Head Start Fund			682,311
Passed Through Kansas Department of Social Rehabilitation Services:			
Capital Outlay Fund			
Medical Assistance Program	93.778	N/A	41,946
General Fund			
Medical Assistance Program	93.778	N/A	19,714
Total Expenditures of Federal Awards			\$ 3,732,698

See Accountants' Report

UNIFIED SCHOOL DISTRICT NO. 489

Hays, Kansas

Notes to Schedule of Expenditures of Federal Awards – Statutory Basis
For the Year Ended June 30, 2007

Note 1 - Basis of Presentation:

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of **Unified School District No. 489**, and is presented on the basis of accounting that demonstrates compliance with the statutory basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than generally accepted accounting principles. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.